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April 10, 2001

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APPLICATION

Honorable Philip N. Asprodites
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

RE: Pelican B Sand, Reservoir D
Lapeyrouse Field
Terrebonne Parish, Louisiana

Dear Commissioner Asprodites:

Application is hereby made on behalf of **DENBURY RESOURCES, INC.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the Pelican B Sand, Reservoir D, in the Lapeyrouse Field, Terrebonne Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated the PELICAN B RD SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;

3. To designate the a unit well for the proposed PELICAN B RD SUA;
4. To designate Denbury Resources, Inc. as the unit operator for the proposed unit;
5. To provide that any future wells drilled to the Pelican B Sand, Reservoir D, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the Pelican B Sand, Reservoir D, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Pelican B Sand in the Lapeyrouse Field, Terrebonne Parish, Louisiana, was previously defined in Office of Conservation Order No. 416-FF-1, effective February 14, 1984, and is hereby further defined as that gas and condensate bearing sand encountered between the depths of 11,598 feet and 11,623 feet, electric log measurements, (11,180' and 11,205', TVD) in the Denbury Resources-Eschette Heirs No. 2 Well, located in Section 32, Township 19 South, Range 18 East, Terrebonne Parish, Louisiana.

The pre-application conference tentatively scheduled for 1:00 p.m., on Wednesday, April 18, 2001, **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

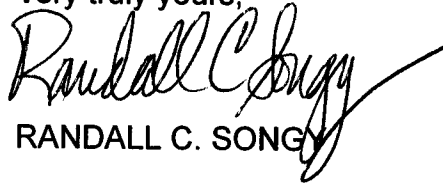
Pertinent data relating to the proposed application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, by contacting Frank Harrison, Jr., 200 Audubon Blvd., Lafayette, Louisiana 70503 (337)232-4031.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the

District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$700.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,



RANDALL C. SONG

RCS/dde

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application Notice even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units. In some cases, the area proximate to proposed units can extend as far as one-half mile outside the unit boundary.

Your receipt of this Application Notice does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

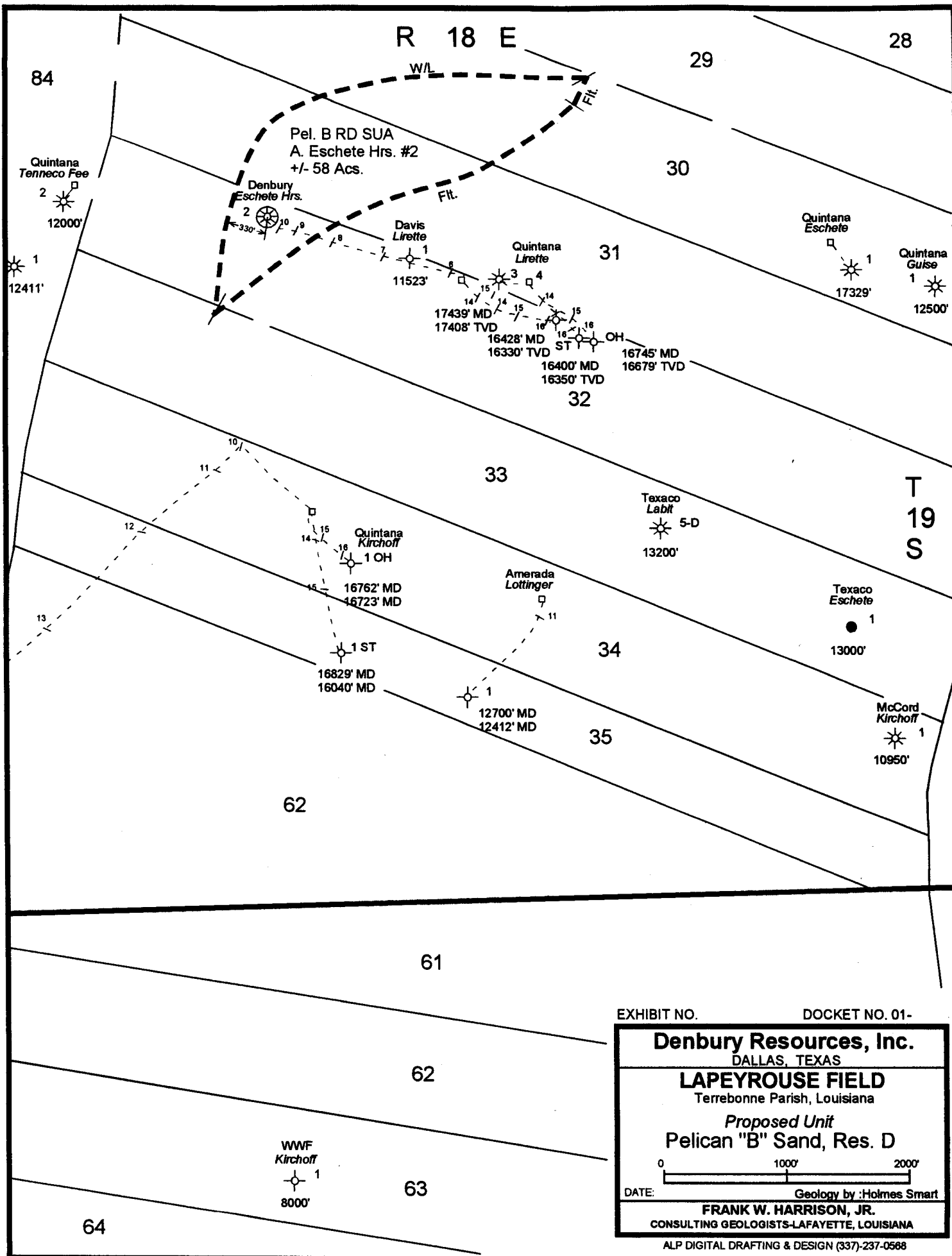


EXHIBIT NO.

DOCKET NO. 01-

Denbury Resources, Inc.
DALLAS, TEXAS

LAPEYROUSE FIELD
Terrebonne Parish, Louisiana

Proposed Unit
Pelican "B" Sand, Res. D

DATE:

Geology by: Holmes Smart

FRANK W. HARRISON, JR.
CONSULTING GEOLOGISTS-LAFAYETTE, LOUISIANA

ALP DIGITAL DRAFTING & DESIGN (337)-237-0568